FY2003 INSURANCE RATES APPROVED

The Commander, Community and Family Support Center (CFSC) has approved the Risk Management Program (RIMP) insurance rates for FY2003. Each year RIMP reviews the rates for each line of insurance and, based on the loss experience in each category, rates are adjusted for the coming fiscal year. Rates are established to generate sufficient premium to pay projected losses.

Significant rate increases for buildings and contents are the result of large premium increases for the commercial insurance coverage that RIMP purchases for high value properties. The events of 11 Sep 2001 resulted in the single largest catastrophe ever encountered by the insurance industry. Resulting claim payments and depressed investment returns are causing companies to demand substantial rate increases, conservative terms and more finite conditions of coverage. Most companies will no longer cover terrorism. The result is higher premium costs, less coverage and greater deductibles for losses. We are glad to report that we were able to obtain coverage for terrorism but at a significant cost.

Modest increases in the cost of commercial insurance for Army flying and parachute activities will result in the first increase in hull and liability rates since FY1998. The increase in fidelity bond rates reflects the alarming trend of increased claims paid for employee theft. The increase in the CONUS workers' compensation rate is based on the actuarial projection of the costs to pay claims that will occur in FY2003.

All other rates have been reduced or remain unchanged. Insurance rates for FY2003 are on a separate page of this bulletin.

☞☞ 🕸 Financial Management and RIMP are on the Web! For updated documents, forms and information go to www.armymwr.com/corporate/operations/financial/ 🕸 ✎✎

SPECIAL EVENTS COVERAGE

There has been an increased interest in prize insurance for bingo games that has allowed several installations to offer substantial prizes for selected games. Whether it is a one-time event or continuous weekly games, bingo can produce significant revenues. The cost for this coverage is

based on the number of faces sold, the number of numbers called, and the amount of the prize.

Nonperformance and Event Cancellation insurance provides coverage for the cost of contracted expenses if a scheduled performer cancels due to sickness or accident or if the event has to be cancelled due to adverse weather. In 2001, the Army Concert Series performance at Fort Stewart had to be cancelled due to heavy thunderstorms prior to the scheduled event. The concert was insured and Fort Stewart and CFSC were able to recover the cost of talent fees and other expenses. If you are going to have an outdoor concert during 2002, we would strongly recommend that this coverage be considered.

Weather insurance is something to consider if you are having outdoor events such as carnivals, picnics, fairs and festivals and you are concerned about financial loss due to adverse weather.
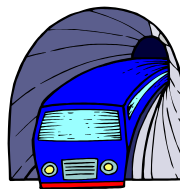
Hole-in-one events at golf tournaments always generate a lot of fun and excitement and coverage can be obtained to pay the prize to the lucky winner. Please contact the RIMP office for more information on these special coverages and any other insurance needs you have at DSN 761-7314.

COMPUTER HARDWARE AND SOFTWARE CLAIMS

The RIMP provides coverage for direct physical loss or damage to computer hardware and software purchased with nonappropriated funds (NAF). Most of the claims paid to date have resulted from lightning strikes, water damage and theft. Unfortunately, several claims have been denied due to the fact that coverage was never requested. Computer hardware and software are insured separately and have their own coverage terms and conditions. They are not considered to be contents items. Therefore, it is very important to provide a detailed listing of all hardware and software, to include the building number location, make and model description, serial number and current value of each item to be insured. The RIMP cannot confirm coverage for a loss if the detailed listing is not provided. So please make sure that the coverage you want is updated on an ongoing basis as hardware and software are added or deleted.

OPEN CARGO COVERAGE

REMINDER: The RIMP provides coverage for domestic and overseas shipments of merchandise purchased with NAF. In accordance with AR215-1, paragraph 14-74, cargo insurance is required if the annual value of cargo shipped is $200,000 or more or the value of any single shipment is $100,000 or more. All goods shipped are insured against all risks of physical loss or damage from an external cause, except as specifically excluded. No matter what method is used to move goods, by sea, air, rail, mail or truck, damage or loss can occur. If shipments are not insured, who pays to replace or repair the damaged goods? Cargo insurance is the answer.

FY2003 INSURANCE RATES

			RATES
Buildings	Per $100 value	$	0.23
Contents	Per $100 value		0.33
Vehicles	Per $100 value		0.40
Aircraft	Per $100 value		6.00
Fidelity Bond	Per employee		
	Class I		5.00
	Class II		2.90
Money & Securities	Per employee		2.25
General Tort	Per employee		12.00
Vehicle Tort	Per vehicle		150.00
Family Child Care	Per provider		70.00
Aircraft Tort	2 seats		2700.00
	4 seats		4200.00
Parachute Activities			550.00
Cargo	Per $100 value		0.55
Unemployment Compensation	Percent of payroll		0.25
Workers' Compensation	Per $100 payroll		
	U.S., Puerto Rico		1.95
	Overseas		0.60
	Korean Nationals		0.65

POC is Mr. Ken Harris, CFSC-FM-I
DSN 761-7314 or Com. (703) 681-7314

VEHICLE REGISTRATION   When reporting an addition or change for vehicle registration, please clearly state the following:

☐ New Vehicle

☐ Transfer Plates

☐ Deleted

License Plate No. (If applicable)
Model/Year
Make/Model
Type: (Auto, Trailer, Moped)
VIN
Purchased: (NAF, APF, DMRO, PDO)
Value $

Submitting a Certificate of Origin or equivalent indicating VIN or asset number is a requirement

POC
Installation
Telephone Number